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JUNTA OF COMMANDERS CONFIRM GARCIA MEZA PRESIDENT

Junta Issues Document

PY180405 La Paz Radio Illimani Network in Spanish 0237 GMT 18 Jul 81

[Text of the document confirming Gen Luis Garcia Meza as Bolivian President in a ceremony in the Hall of Mirrors at Government Palace in La Paz on the night of 17 July--live or recorded]

[Text] [Air Force Commander Gen Waldo Bernal Pereira] Your Excellency, Mr President: After a thorough analysis of the factors of power in the country in the economic, political and social areas, taking into consideration the institutional aspect and the historic juncture, the junta of commanders has arrived at a decision expressed in a document which I now ask the chief of the joint command general staff and secretary of the junta of commanders [Gen Ruben Rocha Patino] to read.

[Rocha Patino] La Paz, 17 July 1981

To his excellency, General Luis Garcia Meza Tejada, president of the republic.

Mr President: We submit to you the document reformulating the statute of the national reconstruction government which was prepared by the junta of commanders and which, at the same time, confirms you in the high position of president of the republic.

We are pleased to convey to you assurances of our highest esteem.
We have a right to the sea and we will recover it. It is a duty.

Signed: Commanding general of the air force, aeronautics minister and member of the junta of commanders, Gen Waldo Bernal Pereira; army commanding general and member of the junta of commanders, Gen Celso Torrelío Villa; commanding general of the naval force and member of the junta of commanders, Rear Adm Oscar Pammo Rodriguez.

Garcia Meza Speech

PY181510 La Paz Domestic Service in Spanish 0250 GMT 18 Jul 81

[President Gen Luis Garcia Meza speech accepting extension of his mandate during ceremony at Government Palace in La Paz on 17 July--recorded]

[Text] Rear admirals, commanders of forces, members of the junta of commanders, state ministers, ladies and gentlemen, Bolivian brothers:

Exactly 1 year ago today, the armed forces accepted the responsibility of taking over the government to confront anarchy, misgovernment, chaos and violence institutionalized as power. Moral and material values had been trampled by the leftist political terrorism which was daily making victims, paralyzing production and fomenting social disintegration. The Bolivian people had become victims of international mercenary groups and subservient national followers who competed among themselves for the condemnable merit of destroying the nation for the benefit of foreign interests and ideologies foreign to the Bolivian nationality. We Bolivians sadly watched the actions of political leaders who made a mockery of democracy and popular will deceiving the civic conscience of the citizenry in three consecutive and frustrated elections. The apostles of violence and those who paid lip service to democratic virtues they never practiced sowed hatred, myth and pain, driving the country to the brink of a dangerous confrontation. They did not hesitate in attacking and smearing the armed forces through a campaign of slanders to implement a plan to replace them by militias, that is to say, a plan to annihilate the armed forces, an inseparable part of the people. These were the reasons why the armed forces assumed the government in response to the popular clamor and the historic imperative.

There was no other way to avoid greater dangers which would have ultimately disintegrated the fatherland as a nation-state by unleashing hatred and strange political passions. The military could not remain indifferent in view of the serious deterioration of the institutional foundations of the republic, the onslaught of extremism and the influence of foreign ideologies; and considering their transcendent mission of service to the fatherland above all as we pledged in our oath to the national flag. With this understanding, the armed forces, through the National Reconstruction Government, have discharged, discharge and will discharge their supreme duty to address the great national problems, thus interpreting the will of the people. We imposed order and respect for the institutions, and saved the dignity and sovereignty of the nation. Thus we initiated the great task of national reconstruction upon the rubble left behind by those who even today are vainly trying to provoke a fratricidal confrontation. On 17 July 1980, we initiated not just another government, but a policy with great objectives and aspirations. The origin of this process can be traced to the 1930's, in the Chaco War, by inspiration of the nationalism of the military governments of Blanco, Galindo, Toro and Bush. The process gained momentum in the 1940's with Gualberto Villaroel, and took hold in the 1950's with the national revolution first, and then with the cause of revolutionary restoration which General Barrientos set in motion. These political propositions were eroded by the action of natural and historic forces to the point that last year the nation found itself on the verge of a collapse, thus making necessary the emergence of new ideas, new banners, such as those which are today held out by the armed forces with the so-called national reconstruction process.

Therefore, this new stage is a political, historical, economic and social proposition aimed at reconstructing the country and carrying out the unpostponable urgent task of structural changes to permit us to build a free, just and sovereign society compatible with the progress of modern society.

Obviously, this enterprise cannot be the work of the leaders and the armed forces alone. It demands the participation of all Bolivian patriots who want the construction of a national system, truly democratic and really Bolivian, as the basis for unity and the country's development.

We Bolivians are really confronting an historic challenge. Our mission is to set up the basic fundamentals of our institutional, economic and social lives by opening the doors to new generations who have been unjustly left behind by divisions of selfish interests.

During the first year of government, we have put Bolivia on its feet; we have given back faith in the high destiny of the fatherland and we have put order and principle of authority as a basis for civilized coexistence.

Despite the bitterness and the rancor of the displaced antipatriotic forces and their international financial supporters, we can say with integrity and conviction that the necessary steps have been taken to reactivate the economy and to recover the confidence and rhythm of national development; a process which stopped during the bad administration of the unconstitutional interim governments.

We have inherited from the past a profound crisis which was the result of improvisation, ideological inconsistency and making the state partial to special sectors. To all of this we must add the weakness of our economic structure, our high degree of foreign dependence, the unjust distribution of wealth and the absence of a large percentage of the population in national consumption. This gives a clear picture of the problems we are confronting.

To all of this we must add the external debt because the funds received were not always directed at rationally conceived projects and consequently, far from benefiting the people it has become a heavy burden for the country.

With the campaign of discredit that is being promoted from abroad by those who at times have held power and against lies and treachery, we have demonstrated dignity and have risen to the occasion. We undertook with responsibility an energetic campaign against drug traffic, despite the limited resources at our disposal and the immense power of the international organizations that promote this dirty business.

To date we have not achieved the cooperation of those societies that suffer the consequences of drug addiction. I must note without hesitation that Bolivia is the victim of the large centers that consume drugs, from where this scourge is planned and directed.

To our call for international solidarity in our confrontation with the powerful drug trafficking organizations, which are today linked to political activism, only the United Nations has answered us positively; while other nations that are the destination of the product and the profits of drug trafficking have preferred to ignore our demand. They have instead made a polemic about formal aspects rather than showing any intention of adopting decisive actions to eradicate this scourge from which they are themselves suffering. All they are doing is condemning it from their comfortable paternalist positions.

During this year that we have governed we have also had to face other uncomprehensible factors in the international field. But with authentic pride we can say that we have defended national dignity and sovereignty as they have never been defended before.

We have a policy that is directed toward a new international order that is more just and humane and this has been understood by many nations that have normalized their relations with us.

The majority of the world's nations on the basis of the concept of cooperation, mutual respect and solidarity and without interfering in internal questions and guaranteeing our national sovereignty, maintain diplomatic ties with Bolivia.

A national legislative advisory commission, CONAL, has been created with the purpose of thoroughly studying all the structural reforms in accordance with the guidelines of the government of national reconstruction. CONAL has started a project for changing the national constitution through a system of open consultations with all national institutions and officials. It is also studying the draft law for investments aimed at promoting foreign capital toward Bolivia on favorable conditions for foreign investors and for the national interests.

Among other projects which are being considered by CONAL, I must emphasize, in view of its importance, is the political parties law which will set up the rules that will govern the activities of such important social organizations. The new draft electoral law is also being discussed. This instrument is designed to give guarantees to the people that their freely expressed opinion and their vote will be truly respected, thus materializing the ambitious goal of establishing a true, completely new democracy in Bolivia. The reorganization of the Judicial Branch was designed to promote justice and to guarantee the true independence of the Judicial Branch.

In keeping with our national objectives, we have supported the implementation of new projects which will supplement the mining industry by conducting studies for the development of the steel industry as part of the plan for diversifying the national economy. Steps are also being taken in this field to facilitate the exploitation of our mineral resources under favorable conditions so as to overcome the high production costs and the low international prices which are primarily prompted by the sale of U.S. strategic reserves.

The armed forces government has concluded agreements for the construction of the Bolivian-Brazilian gas pipeline, after having resumed negotiations for the sale of natural gas to Brazil, which in the short term will result in a large annual income. Through the purchase of new drilling equipment, the country has intensified petroleum prospecting in unexplored areas. This has resulted in the discovery of new deposits of petroleum and gas which will be instrumental in guaranteeing self-sufficiency, thus overcoming the crisis that stemmed from the waste and lack of planning observed by previous governments in the energy sector.

We have renegotiated the price of natural gas with Argentina with favorable results for our country and I must thank officials of the brother country of the River Plate for their understanding of this problem.

We have established a legal system for guaranteeing the people's productive and creative activities. Also under way is the reorganization of the Bolivian University which is designed to have the higher education schools accomplish their high responsibility of training new generations and not becoming politicized centers of social activism.

To incorporate peasant families into national life we have created the Agrarian Technical University which will start its activities on 2 August. We are undertaking a policy by anarchic, politicized unions without overlooking the defense of the workers interests by adequately enforcing current legal instruments.

We have outlined plans about the River Plate basin. The one we regard as the most important and which we will implement as soon as possible deals with the mutum ore project. We are signing a decree today which declares this project as a national priority. I can assure you that it will be immediately implemented.

The implementation of the development center of the northern part of La Paz Department is undoubtedly another major achievement of this government. It will be instrumental in exercising full sovereignty and in promoting the development of the Departments of La Paz, Beni and Pando thus having taken the first step toward incorporating Bolivia into the Amazon basin.

The above has been a succinct review of the achievements accomplished by our government over the short period of 1 year amid the misunderstanding prompted by the unrestrained ambition of some bad Bolivians who have not acted on their own. Everyone knows that they have been manipulated by unsuccessful politicians and frustrated former rulers who, acting behind the scenes, have been attempting to jeopardize the invigorating action of the armed forces.

Today Bolivia enters into a new stage of national reconstruction. This task demands a joint effort and compliance with a package of basic, decisive principles. First, and above all, it demands unity. Without this basic requirement nothing will be achieved. Yet when we talk about unity we do not mean homogeneity. Societies are made up of men, of free, intelligent human beings. No one could attempt to threaten men as though they were part of a herd because this would be completely incompatible with human dignity.

Yet we believe it is possible to hold dialogue through institutionalized channels and thus keep those issues which are significant and vital to the fatherland out of political discussions. We can and we must unite around ideals. We can and we must unite to serve Bolivia. This is the kind of unity I am talking about.

We are still a young country and, therefore, still divided. Our cultural past has not, even today, been able to become entwined and thus give form to our national identity. The answer to this problem lies in education. And if it is true that only the truth will make us free, then it must be taught in schools and universities without privileges for anyone and giving an equal opportunity to everyone.

But we will not import foreign models or systems. We will take from the democratic and Christian West all that is compatible with our tradition and way of life. We must not forget that we are the sons of an empire [words indistinct]. We are descendants of the Collas and the Incas and by the action of the Spaniards we became a mestizo people. We are proud of what we are: the mixture of two races, a people of the future.

In our relations with the Catholic Church we will be consistent with the truth and the doctrine. We know that ours is a militant church and, therefore, we will ask of our hierarchy opportune counsel, wise words and constructive criticism. We want our mother and master to guide us in the redeeming action the government must accomplish and may the Lord give us the necessary good will to act like true brothers.

We already stated our position on the press, earlier. We want it free, free and aware of its rights and obligations; free and responsible before society of what it says and writes.

We will not ask it for easy praise or disproportionate plaudits but we will demand respect for constituted power and its dignitaries. Criticism will always be welcome and we will receive suggestions and solutions with open arms. We believe and maintain that the media must be at the service of the people and that no one has the right to use it for personal or political benefits.

Labor organizations will be the subject of special concern. They will be depoliticized and placed at the service of the workers. Thus they will regain their freedom under rules and programs which, based on constitutional principles, will implement the correct enforcement of measures designed to accomplish the unions' legitimate goals thus letting the workers act as true leaders who will convey to the people their desire to change; for in no way will we permit a regression to the bitter years of political chicanery and union irresponsibility.

Special attention will be given to the cooperative movement. We must not forget that our political and socioeconomic organization was originally based on our old ayllus [a clan or tribe holding common property] and the [word indistinct]. Cooperatives are nothing but a modern form of our old ayllus. Through renewed ideas, we will attempt to revive that institution which is truly ours. Joint work, projects carried out in solidarity, individual contributions to the group and to the community will mark from now on our people's activities.

Regarding the economic aspect, the Government of National Reconstruction plans to replace the monopolistic system we have inherited with a new system: The state as competitor. We believe in free competition, free initiative and the free play of the economy. There is a large field where the state and public enterprises can operate. We should realize that in Bolivia there are many studies and very little achievements.

We will demand responsibility, efficiency and honesty from public enterprises and we will sanction their faults and defeats. [as heard] We cannot ignore the fact that when a public enterprise is losing money, it is compensated with the money and the efforts of the people. This is unjust and illogical. This is why the state will intervene when private initiative fails or when due to speculation it is working against the economy of the people.

We are going to challenge private enterprises. They will now have to prove their efficiency, aggressiveness and courage in taking risks. We are aware that the only motivation of enterprise is profit. There is nothing wrong with that and it should not be criticized. But what we will not forgive and tolerate is the export of profits gained with the work and sacrifice of the Bolivian people to help other economies.

We may be told that there is a need for guarantees and security. We will provide them in relation to a positive answer to our concerns. I would now like to make quite clear that the Government of National Reconstruction will provide the maximum security to the money well earned through work and for Bolivia but will be implacable with people who have tried to deceive our good intentions.

The basic guidelines of our foreign policy are based on the following principles: nonintervention and self-determination of people; nonalignment and opening toward all countries of the world; support for integrationist policies to achieve the development and liberation of our people because Bolivia is the continent's geopolitical center of contact with South America; respect for ideological plurality and in accordance with this, it advocates an authentic Bolivian democracy; anticolonialism; antiracism; and solidarity with all people of the world.

On the basis of these principles the Government of National Reconstruction will seek that status in relations and closer links with countries with which it is currently involved in trade with and it will seek formulas leading to points of agreement with those which up to date do not have relations with us.

Regarding our unrenounceable right to the sea, we will insist on a (?pluralist) policy, multinational or continental, strictly obeying the resolutions of the OAS.

At the same time we will seek to open dialogue, in constructive terms and seeking real solutions without territorial compensation with the two countries that together with us have participated in this matter: Peru and Chile. The world already knows international meetings. We will never resign our sea rights and we trust that everyone feels the same way.

Regarding domestic policies, speaking frankly and directly, this is well known and the government agrees that political parties are an effective means of expression of the people's concern. The peoples' right to politically organize themselves is an inalienable right but, as in everything, there must be order and moderation. The spectacle given by these organizations during the last three elections should make us ponder. How is it possible for a country with an electorate of 2 million people to have 68 political parties? How do you explain their existence if when their programs and principles are reviewed there are more agreements than disagreements?

Anybody can see that all political parties, without distinctions, are only different in name. This cannot be so, and that is why CONAL has been requested to prepare a political parties statute, to regulate their organization and development under new legal provisions. Once this law has been clearly defined, political parties can be reorganized by a new generation of leaders who were held back by an old generation which thought itself irreplaceable. It is up to this new generation to raise its voice now and to link arms with the armed forces in order to create the new Bolivia. Another prerequisite in the establishment of which no effort will be spared is maintaining a climate of real peace. We are aware of the uneasiness and discontent which exist primarily as result of our present economic woes. Out of good sense and logic, we must conclude that nothing can be done unless we exert ourselves strenuously and together if we want to see better days. To those demagogues who assert that their presence will be sufficient to solve the problems, I publicly say that they are lying. Worse yet they are lying because they know very well that the present situation is their own creation. I will seek peace and order because only peace will permit us to work profitably. To the rowdy and unruly I extend an invitation to engage in a dialogue which will be beneficial for everyone. Should my invitation go unheeded and should they persist in their divisive and sterile efforts, I warn them that the law will be strictly enforced. The National Reconstruction Government of the armed forces does not want to overpower, but to convince. To this effect, it will devote its best efforts.

I especially want to address my comrades in arms, speaking with sincerity, to tell them that they have lately staged a less than constructive spectacle which has brought disgrace upon our institution and our country. I am aware of the fact that such actions were motivated by blind ambition and instigated by civilians outside the institution. I also know that some ill-meaning comrades are at work seeking international contacts in order to destabilize the regime, but the clear and overwhelming evidence that the armed forces are a united and patriotic body is given by the unsuccessful attempts of the rebels. As we initiate the second year of the National Reconstruction Government of the armed forces, I want to give the people assurances that we have restored our elan and unity--our unity behind the national flag, unity in our patriotism, unity in the institutional chain of command. The rebels, the self-styled saviors, are no longer in the ranks of the institution. The armed forces today stand behind their commanders who support the captain general. In 1981, new blood and new ideas are running through the body and mind of a new military generation, uncontaminated with the past. Political ambitions have been replaced by a natural competition in self-improvement among the commanders. This is salutary and necessary.

If I have any personal ambition, this ambition is to promote an eminently professional and indivisibly cohesive armed forces devoted to service to the fatherland and to the great national objectives. The old notions of order, discipline and hierarchy have been reinvigorated and both commanders and officers respond with a long live Bolivia to the exhortation of subordination and perseverance.

Bolivian brothers, the National Reconstruction Government of the armed forces proposes a minimum plan for this stage of the revolutionary forces to professionals, peasants, miners, urban workers, students, youth, women and all the people.

The political process which began on 17 July 1980 is not intended to foster personal ambitions in the country's government. It is a transcendent revolutionary process in the nation's history aimed at forging fundamental structural changes and, therefore, its fate is identified with the destiny of the republic. Personalities may change but the national reconstruction process will proceed forward with its accomplishments.

Bolivia is today, as it was yesterday and will be tomorrow, the great country of concord, of liberty, of luminous example; the nation of contacts and fraternity. With open arms, the National Reconstruction Government offers its friendship and cooperation to the nations of the continent and to all peoples of the world.

I said before that, during our first year in government, we set Bolivia on its feet. Today we begin to walk and ahead of us lies a luminous path which will be inherited by our children.

Bolivians, the future depends on our conduct and actions. Let's break away from the past. The fatherland needs us. Let us unite to work together. Bolivia needs us and we have a rendezvous with the future. Thank you very much.

JUNTA OF COMMANDERS CHANGE GOVERNMENT STRUCTURE

PY180530 La Paz Domestic Service in Spanish 0240 GMT 18 Jul 81

[Text of statute modifying Bolivian national government statute, read by Joint Command Staff chief, Gen Ruben Rocha Patino, at a ceremony held in the Hall of Mirrors of Government Palace in La Paz to confirm Luis Garcia Meza as president on the night of 17 July--live or recorded]

[Text] Considering the general conditions of the country, the effect of external factors and the urgent need for strengthening the nation's structures in order to accelerate the country's development in response to the tragic dependence; convinced that the solution of economic and social problems depends on the stability which can be attained at the level of principles, institutions and personalities; believing that the essential objectives of the National Reconstruction Government consist in maintaining unity of the people and particularly the cohesiveness of the armed forces as the basis to promote the country's development and to face the consequences; mindful that Bolivia, as a republican and unitarian country, must concentrate its efforts to definitively reestablish order and progress, avoiding the frequent disruptions of its historical opportunities; recognizing the people's acceptance of their firm leaders as the only way to fulfill the nation's highest political, social and economic objectives which represents the security for national survival and for a future of better conditions [words indistinct], the Junta of Commanders of the Armed Forces agrees:

1. To modify the statute of national government in the following terms:

Article 1. The Junta of Commanders of the Armed Forces formed by the commanders of the Army, Air Force and naval force is the highest body of the Bolivian state and the body responsible for the implementation of the national reconstruction process.

Article 2. The Junta of Commanders oversees, controls and supports the power of the state so that it can act with authority, moral integrity and effectiveness in the national reconstruction process.

Article 3. The Junta of Commanders exercises the function of commander in chief of the nation's armed forces.

Article 4. The Presidency of the nation will be exercised by the senior member of the Junta of Commanders.

Article 5. The Junta of Commanders should relieve the nation's president whenever reasons of state so dictate.

Article 6. In case of sickness, leave or temporary absence of any member of the Junta of Commanders the position will be temporarily filled by the chief of staff of the same branch.

Article 7. The chief of the Joint Command Staff will act as secretary of the Junta of Commanders.

Article 8. The member of the Junta of Commanders who occupies the nation's Presidency cannot continue as commander of a branch of the armed forces and he must appoint his replacement in the junta.

Article 9. The Junta of Commanders will exercise functions of legislative power as established in Articles 59 through 66 of the 1977 constitution.

Article 10. The Junta of Commanders can at any time call in one or more state ministers or the entire cabinet to report on questions related to their management, and to receive directives which might be necessary.

Article 11. The Junta of Commanders will be in permanent session and its decisions will be made unanimously.

Article 12. Each member of the Junta of Commanders will enjoy the same privileges and immunities granted to the nation's president.

Article 13. The nation's president will exercise the functions invested in him by the constitution, after previous consultation with the Junta of Commanders on all fundamental political, social, economic, international and military questions.

Article 14. The nation's president with the consent of the Junta of Commanders will appoint Supreme Court judges, the attorney general and comptroller general.

Article 15. The Junta of Commanders and the nation's president will determine the number of ministers necessary for the effective administration of the country.

Article 16. For the formulation of legal provisions, the Executive Branch and the Junta of Commanders will take into account the specific differences stated in COMAPLAN, (COMAPOL) [expansions unknown], and CONAL [National Legislative Advisory Commission].

Article 17. This statute and the basic documents of the national reconstruction process can be modified only by a unanimous decision of the members of the Junta of Commanders.

Article 18. This statute will be in force as of this date.

2. To confirm as president of the nation Gen Luis Garcia Meza Tejada in accordance with the resolution adopted by the Junta of Commanders on 17 July 1981.

3. The executive action of the government must continue persistently in pursuance of the following objectives: to strengthen the national sovereignty and the self-determination of the state; to organize a just, dignified and democratic society; to stimulate the nation's economic development to meet the needs and aspirations of the people; and to strive for a peaceful return to the Pacific.

Signed at the great Miraflores barracks in La Paz on 17 July 1981.

Gen Waldo Bernal Pereira, air force commander and aeronautics minister; Gen Celso Torrelío Villa, army commander; Rear Adm Oscar Pammo Rodriguez, commander of the naval force.

FOREIGN MINISTER ON LEADERSHIP IN NUCLEAR FIELD

PY181828 Rio de Janeiro O GLOBO in Portuguese 15 Jul 81 p 6

[Text] Yesterday in Rio, Foreign Minister Saraiva Guerreiro told O GLOBO that Brazil was not concerned with disputing Latin American leadership in the field of nuclear energy or any other sector with Argentina.

"Only the technicians," Saraiva Guerreiro said, "would be able to say who is ahead in the nuclear program. But since we look after our program as a function which is useful and necessary for us, the idea of whether we are in the lead or not is irrelevant. What is relevant is that it suits us that the program is being successfully carried out and that it is adequate for our needs.

"We don't have," the foreign minister added, "in this or in any other sector any concern for leadership. As the current expression goes 'we are doing our own thing.' But it is quite reasonable that Argentina is stimulating the development of its program. We look favorably on Argentine progress in this and other sectors since we have defended the right of all countries to have access to all developments in nuclear technology for specific ends."

Saraiva Guerreiro made this declaration after reading in yesterday's O GLOBO the affirmation of Argentine President Gen Roberto Viola that Argentina could not "in any way" renounce its leadership in Latin America in the field of nuclear energy.

At noon yesterday Saraiva Guerreiro left the Sao Jose clinic in Rio where he had been confined since the beginning of the month, having undergone prostate surgery.

From the clinic the minister, in the company of his wife Gloria, went to the Copacabana Palace. He said that he still had to undergo some medical checkups and for this reason he will stay in Rio until the end of the week. After that he will return to Brasilia.

Saraiva Guerreiro said that during his confinement he followed diplomatic events with the help of his aides and telegrams sent to him. In the meantime he did not want to make any declarations.

GOVERNMENT: ARGENTINE NUCLEAR ADVANCE BENEFICIAL

PY182050 Rio de Janeiro O GLOBO in Portuguese 15 Jul 81 p 6

[Text] Brasilia (O GLOBO)--Planalto Palace press secretary Carlos Atila said yesterday that Brazil will benefit from any dynamization in the Argentine nuclear program since both countries maintain a bilateral cooperation agreement in this field.

"They (the Argentines)," Atila said, "really are out in front of us in effective terms, not just theoretically. Over time we keep talking about the matter without doing anything, while they are already quite advanced."

Atila considered the recent statement by the Argentine president, Gen Roberto Viola, "quite valid." Viola announced the determination of his country not to cede leadership in the nuclear field in Latin America.

"This is a concern," the press secretary observed, "of all countries that possess non-renewable energy resources."

He said that he had no information about the possibility of canceling the Vitoria reprocessing plant, but he guaranteed that "this will effectively take place" since it has already been announced by Mines and Energy Minister Cesar Cals.

PRESIDENT LOPEZ PORTILLO HOLDS NEWS CONFERENCE

On Various Topics

PA181419 Madrid EFE in Spanish 2013 GMT 17 Jul 81

[Text:] Mexico City, 17 Jul (EFE)--Mexican President Jose Lopez Portillo warned today that if the next meeting of chiefs of state on the North-South dialogue fails, so will the United Nations.

Lopez Portillo also announced that Mexico would prefer to negotiate future sales of its oil exports with governments, after restructuring its contacts with private enterprise, particularly with U.S. companies. Sales to those companies, he said, limited the supply that Mexico could offer to friendly countries.

In a news conference to inaugurate the "International Press Center" in Mexico, Lopez Portillo indicated that developing countries, including Mexico, expect great things from the North-South meeting.

Lopez Portillo added that even identifying the problems of the North-South relations at the conference in Cancun in October would represent great progress. He added that he hopes the meeting will be a success "that will perhaps make it possible to take to the United Nations the results of a deliberating meeting in which political decisions were expressed."

In any case, he said that if progress is made, the United Nations will in turn be able to implement the expressed decisions. Otherwise, he said, "the United Nations will remain in a bureaucratic tangle."

Lopez Portillo linked the problem in North-South relations to the present imbalances in the international oil market and the market for raw materials in general.

The president said that greater international solidarity is needed. He added that many countries feel that their survival is threatened by the decline in the prices of products such as coffee, cacao, and cotton, apart from oil.

In this context, he said there is an urgent need to make the oil market more rational and called for a slower pace in the transfer to other sources of energy.

On the problem with France caused by that country's sudden suspension of hydrocarbons imports from Mexico and Mexico's dropping France from its projects in response, Lopez Portillo said that once the problem was settled, everything was forgotten.

The decline in the price of raw materials forced Mexico to reduce its operational budget, but Lopez Portillo emphasized that this reduction will not affect his government's basic programs.

In the same vein, the Mexican president mentioned the recent meeting held in Nassau to discuss development aid to the Caribbean countries. He said that the problems of the developing countries cannot be solved through aid. They require the reorganization of the world economy.

Regarding the proposal for aid to the Caribbean basin, Lopez Portillo said his country will do what it can, "respecting the viewpoints of the countries of the area and without imposing conditions."

Lopez Portillo later urged other potential donors to give their aid generously, "with respect for self-determination." He said that aid "must be total, without discrimination."

The Mexican president noted that Central America is an area of conflict and said that in his opinion, El Salvador's problems must be solved politically, although the full solution also depends on the aid that El Salvador receives for its socioeconomic development.

In explanation, Lopez Portillo said that all countries that produce raw materials are now experiencing a number of monetary problems that are related to the "artificial" strengthening of the dollar.

The Mexican president expressed the hope that at the upcoming meeting of the seven Western economic powers in Ottawa, an appeal will be made for a show of solidarity by the U.S. Government, whose high interest rates have made capital more costly at a time when the prices of raw materials have declined.

Lopez Portillo said later that there seems to be a foreign and domestic "conspiracy" against the Mexican peso, manifested in what he described as "informational terrorism." He stressed that there will be no sharp devaluation of the Mexican currency, which has been "floating" for the past 5 years.

The president urged his compatriots to have faith in the Mexican economy which, he noted, has had an annual growth of 8 percent for the past few years.

"Mexico," the president said, "is capable of averting the harm which another devaluation would cause."

On another subject, Lopez Portillo harshly criticized the present "polarized" world politics, which he believes "disregard the philosophical premises of the United Nations" and subject the world "to the interests of the superpowers."

Lopez Portillo said that "all polarization constitutes abuse by the superpowers and all abuse is illegal."

On Caribbean Problems

FL172248 Mexico City NOTIMEX in Spanish 2033 GMT 17 Jul 81

[Excerpts] Mexico City, 17 Jul (NOTIMEX)--No matter how much assistance is given to Central American and Caribbean countries, nothing will be solved if their products are penalized on the international market and every chance of recovery is cut off. This was stated by Mexican President Jose Lopez Portillo, commenting on the plunge in prices of products such as coffee, sugar, cotton and cacao, the sources of foreign exchange for developing countries.

In a news conference with foreign press correspondents here, Lopez Portillo said that the problem, regardless of geographical circumstances, must be posed at forums such as the North-South summit.

He said that the U.S. position in proposing a plan to aid Central America is very important because in a way it is an advance indication that it understands the basic problem in the North-South relationship.

Further Details

PA181845 Paris AFP in Spanish 0026 GMT 18 Jul 81

[Text] Mexico City, 17 Jul (AFP)--Mexican President Jose Lopez Portillo said today that restoring calm to Central America and the Caribbean and respecting the right to the self-determination of each country in the area are the first basic steps in the search for a solution to regional problems.

The president said at a news conference that both this detente and the aid provided to the area should be devoid of ideological considerations.

As an example of this, he mentioned the San Jose plan, under which both Mexico and Venezuela supply oil to Central America and the Caribbean at very favorable prices and under equally favorable credit conditions, regardless of the regime prevailing in each country.

"Otherwise," Lopez Portillo affirmed, "we would be just like the super powers, which attach conditions to their aid."

The Mexican president also said that the San Jose plan was initiated prior to the aid project that the United States has just proposed to the foreign ministers of Canada, Mexico and Venezuela at the meeting held in Nassau, Bahamas.

Lopez Portillo then rejected some of the attacks on the U.S. project which, according to him, has been "unfortunately described as a mini-Marshall Plan," and affirmed that, as in President Kennedy's day, once again there is in the United States understanding for the Latin American phenomenon in general.

He added that the U.S. plan for Central America and the Caribbean is also an interesting foretaste of the basis on which to continue seeking solutions at the level of the North-South dialogue.

According to the Mexican president, no priorities were established at the Nassau meeting that might imply discrimination. He also said that the aid plan finally implemented in Central America and the Caribbean must represent an integral solution that does not exclude anyone.

Lopez Portillo warned, however, that the developing countries' problems will not be resolved with aid only but rather, and above all, through a reorganization of the world's economy.

Regarding the specific case of El Salvador, Lopez Portillo said he is optimistic that a solution will be reached within an indefinite period of time. He added that he has been directly informed that the United States wants a political solution to the Salvadoran situation.

PEASANTS TEMPORARILY OCCUPY GUATEMALAN EMBASSY

FL172209 Mexico City NOTIMEX in Spanish 2130 GMT 17 Jul 81

[Text] Mexico City, 17 Jul (NOTIMEX)--The Guatemalan Embassy in this capital was occupied today by 35 peasants, apparently Guatemalans, who demanded the release of some 15 of their fellow citizens who were arrested in their country for crimes presumed to be political. However, the police cleared out the embassy in less than 1 and 1/2 hours at the request of the Guatemalan ambassador, Jorge Palmieri.

The building housing the mission is located at 1 Vallarta Street, fifth floor, near the monument to the revolution in downtown Mexico City.

The peasants delivered a petition to Palmieri and his government to be studied by the Guatemalan authorities in order to settle the issue.

The eviction of the embassy was completely peaceful. There were no injuries since both the occupiers and the police were unarmed.

TORRIJOS MAKES IMPROMPTU VISIT, SPEECH IN COPE

PA171922 Panama City MATUTINO in Spanish 13 Jul 81 pp 1A, 9B

[Excerpts] Brig Gen Omar Torrijos Herrera made a soul-stirring "domestic visit" to Cope corregimiento, Penonome municipality, over the weekend. The fact-finding visit by Panama's revolutionary leader was part of what he has described as one phase in a study of the country's problems. He arrived while the residents of neighboring communities were gathered in Cope to receive Edwin Fabrega, general director of the Institute of Hydraulic Resources and Electrification. They wanted to emphasize to Fabrega the area's need for electric power.

Following the flurry caused by the arrival of the helicopter carrying Torrijos, the crowd gave him a spontaneous and warm welcome. It was an extremely significant welcome. Torrijos was asked to speak and in his impromptu speech he said: "I will be a leader to the degree that you continue to support me."

At the crowd's insistence, General Torrijos addressed the meeting. His remarks followed speeches by community leaders such as Corregimiento Representative Tulio Cordova and Cocle legislator Humberto Sanchez.

He noted that the area's true potential lies on the workers' productivity and stressed that it is a great sacrifice for him not to be able to receive the peasants' warm tribute constantly. Without hiding his emotions, Torrijos said the meeting showed him that the people know who feels real affection for them and not just an interest in them at election time.

FOREIGN MINISTER REPORTS ON REGIONAL MEETING

PA171416 Panama City Telvisora Nacional in Spanish 2315 GMT 16 Jul 81

[Text] The Honduran and Guatemalan foreign ministers denied today the existence of preparations for a formal meeting next week in Tegucigalpa. In regards to reports from Honduras and Guatemala on the feasibility of a meeting of Central American foreign ministers, to prepare for a summit meeting of chiefs of state, Panamanian Foreign Minister Jorge Illueca made the following statement for Televisora Nacional:

[Begin recording] In regard to the planned Central American meeting, I hereby announce that Honduran Foreign Minister Col Cesar Elvir Sierra voluntarily offered to host a formal meeting of Central American and Panamanian foreign ministers in Tegucigalpa next week.

Costa Rican Foreign Minister Bernd Niehaus Quesada had proposed that we hold an informal ministers' meeting in San Jose this Friday and Saturday, 17 and 18 July, and that the ministers would also be invited to a dinner with the president of the 35th UN General Assembly, Baron Rudiger von Wechmar, who is a guest of the Costa Rican Government.

Foreign Minister Elvir Sierra, who had agreed to come to San Jose, said that the holding of an informal meeting was unnecessary and instead proposed the holding of a formal meeting in Tegucigalpa and that an agenda would be drafted with the aid of technicians.

The Honduran proposal, which was preceded by a similar proposal presented by Elvir Sierra to the Costa Rican, Salvadoran, Nicaraguan and Panamanian foreign ministers in Caraballeda, Venezuela, on 18 May 1981, was accepted by us. That is to say, the Costa Rican and Panamanian foreign ministers and Foreign Minister Elvir Sierra agreed, during a telephone conversation we held from the respective capitals, that he would contact the Guatemalan and Salvadoran foreign ministers as well as with the other foreign ministers in the region. Naturally the foreign ministers' meeting in Tegucigalpa will be possible only if Honduras continues to offer to host it. [end recording]

PASTORA, SPADAFORA, MAJANG MAY FORM FRONT

PA161654 Panama City LA REPUBLICA in Spanish 15 Jul 81 p 1

[Text] Eden Pastora, who is also known as "Commander Cero;" and Dr Hugo Spadafora Franco, or "Commander Hugo," who led the southern front's "Simon Bolivar Brigade" during the recent war in Nicaragua; are trying to contact Col Adolfo Majano, former chief of the Salvadoran Army and former member of the civilian-military junta of the Government in El Salvador, who is currently exiled in the United States, to coordinate plans for future "liberationist" actions in countries of the Caribbean basin, where "fascist totalitarian systems continually oppress the peoples who are anxious for freedom."

Although it has not been possible to contact "Commander Cero" here in Panama, it is a known fact that he is still here on Panamanian territory along with the nine other members of his party, who on the evening of Wednesday, 8 July, crossed the Costa Rican-Panamanian border at Paso de Canoa to travel to this capital as guests of Dr Hugo Spadafora F., in the San Francisco de la Caleta neighborhood. Since that day, it has been impossible to locate Dr Spadafora, or "Commander Hugo," who has reportedly left the country.

Persistent rumors have circulated about the imminent talks that Commanders Cero and Marvin, or Jose Valdivia, former deputy interior minister of the Sandinist regime who is accompanying Eden Pastora here in Panama, were to hold with important Sandinist government leaders, who were supposed to arrive here in Panama for that purpose. Regarding this, Francisco Quinonez Reyes, the Nicaraguan ambassador to Panama, has told newsmen that "he does not know citizen Eden Pastora's whereabouts in Panama."

Guatemala and El Salvador are the countries most often mentioned as the sites where the "liberationist struggles" led by Pastora, Hugo and Adolfo would begin. Outbreaks of subversive activity are constantly reported in these countries, where the respective armies engage in war operations.

Others Want to Join Pastora

PA171622 Panama City CRITICA in Spanish 14 Jul 81 p 1

[By Carlos Nunez]

[Excerpts] Several former members of the "Victoriano Lorenzo" guerrilla brigade have begun looking for a way to contact Eden Pastora, Commander "Cero," and to leave Panama en route to the "objective established" by the internationalist fighter. The former guerrillas are trying to do this in an organized manner.

Several fighters who were in Nicaragua's "Benjamin Zeledon" southern front during the war against Somoza told this newspaper that "we would go to the end of the world with Pastora to put an end to fascist tyrannies."

The former Panamanian guerrillas asked that neither their names nor their nicknames be published. The young men--some who are not so young--had a "working-meeting" to discuss how "to meet up with Commander Cero and place ourselves under his orders."

At the end of the meeting, the former members of the "Victoriano Lorenzo" brigade pledged they would continue onward and recalled the role of the 20 Panamanians who died in the Nicaraguan war.

COSTA RICAOIJ RELEASES DATA ON GUERRILLA GROUP FINANCING

PA122215 Panama City ACAN in Spanish 1851 GMT 11 Jul 81

[Text] San Jose, 11 Jul (ACAN-EFE)--A spokesman for the judicial investigation organization (OIJ) has disclosed that a recently disbanded terrorist group had access to 1 million colones (\$60,000) to begin its operations in this country. According to the OIJ, the money was obtained partly from contributions made by some members of the group, some of whom were Central and South Americans, and partly from robberies of various businesses in the capital.

The data on financing was found by the police in the "safe houses" used by the organization for its meetings. Seven "safe houses" have been discovered in the capital and surrounding areas. The authorities report that the extremists began their activities some 6 years ago under the leadership of foreigners who recruited high school and university students.

According to documents found by the OIJ, the group attempted to stage its first strikes on two occasions (1975 and 1976), but failed because of a lack of organization. As of yesterday, the police had arrested 23 members of the guerrilla group, among them three leaders whose names are being withheld for security reasons. The press was informed that investigators are on the trail of seven other extremists who are members of the group's national directorate.

EL SALVADORBANK UNION OFFICIAL KILLED; FIFTH THIS YEAR

PA162349 Panama City ACAN in Spanish 2357 GMT 14 Jul 81

[Text] San Salvador, 14 Jul (ACAN-EFE)--Employees of the Banco Salvadoreno have reported that Nelson Ivan Velado, secretary general of the bank's labor union, was murdered by three unidentified persons on his way to his home in downtown San Salvador.

For the past year and a half, Velado had been the top leader of the labor union to which 60 percent of the bank's employees belong.

Labor unions from several Salvadoran banks and finance associations condemned this act and declared themselves in mourning without suspending their daily activities.

The sources said that at least five ranking representatives from different unions in the banking sector have been murdered since the beginning of the year by groups of the extreme right.

REPORTAGE ON ARMY, GUERRILLA COMBAT ACTIONS

New Guerrilla Camp, Harassment

PA162237 San Salvador EL MUNDO in Spanish 15 Jul 81 p 3

[Excerpt] Peasants of Vagoneta canton in Chalatenango have informed the armed forces that a guerrilla camp has been set up in El Zope Mountains, which extremist groups use as a base of operations to terrorize the region. The extremists have attacked and looted vehicles and homes at La Quebrada Seca Bridge, El Guayabal and El Junquillal.

The army has also been informed that well-armed extremist groups have occupied Agua Blanca canton and forced the peasants to seek refuge in Cacaoopera, Morazan Department. It was also reported in this department that the subversives had stolen 29 head of cattle in Sunzulaca, Gotera, and herded them to Agua Blanca canton.

FMLN Mobilizes in Capital

PA162354 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Jul 81

[Text] Our forces carried out a successful operation at the slaughterhouse in Nejapa. On 12 July, squads of the Farabundo Marti National Liberation Front [FMLN] which mobilized more than 100 combatants carried out a successful sabotage action against the offices of the El Salvador slaughterhouse in Nejapa, 112 km north of San Salvador.

According to the report, the people's forces, continuing with its strategy of undermining the economy of the military dictatorship and the Salvadoran oligarchy, destroyed the administrative offices of cattlemen of El Salvador owned by the Salvadoran oligarchy.

These installations have been closed since last year because the oligarchy members depleted the firm of capital when they fled to Miami.

The report revealed that the most important aspect of this action is the ability of the FMLN squads to mobilize many combatants in the capital itself and to carry out this operation successfully without any casualties despite the strict vigilance in the streets of San Salvador.

Army in San Miguel Attacked

PA162253 San Salvador LA PRENSA GRAFICA in Spanish 16 Jul 81 p 2

[Text] An armed forces spokesman has reported attacks on rural villages and murders committed by members of terrorist organizations.

The spokesman said that Villa el Transito in San Miguel was attacked by a group of strongly armed subversives who fired on the buildings occupied by the security corps. The troops counterattacked and killed one of the terrorists, who did not have any identification on him. The army spokesman added that Tecoluca was also attacked by some 50 extremists but that the armed forces had not suffered any casualties. The enemy's casualties are not known.

Two Garrisons Attacked

PA121321 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Jul 81

[Text] We have just received the following report: On 8 July, forces of the Anastasio Aquino Paracentral Front attacked a garrison of paramilitary troops located in the Torres shipyard, La Paz Department. The clash lasted 8 hours. Our forces were not able to confirm the number of casualties inflicted on the enemy.

In addition, on 9 July, we attacked the National Guard headquarters in Tecoluca, inflicting at least five casualties on the enemy. We suffered no casualties.

Paracentral Front Ambushes

PA161323 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 16 Jul 81

[Text] Forces of the Anastasio Aquino Paracentral Front ambushed the enemy on the road from San Vicente to Tecoluca on 9 July. We inflicted five casualties on the enemy. The ambush occurred at km 75.

MNR REFUTES U.S. AMBASSADOR BINNS' REMARKS

PA151405 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 14 Jul 81

[Communique issued by the National Revolutionary Movement, MNR, of El Salvador; date and place not specified--read by announcer]

[Text] In view of the statement by U.S. Ambassador to Honduras Jack Binns, the MNR states:

The news agencies have finally disclosed the name and nationality of the forces that in recent months have insistently, cleverly and anonymously spread false reports which deliberately seek to harm the image of the MNR and its secretary general, Companero Guillermo Manuel Ungo, who is also president of the Revolutionary Democratic Front, FDR.

Jack Ginns, U.S. ambassador to Honduras, has shown the origin of the false information and its objectives. This is very important to confirm the actions coordinated by the Reagan administration at the Central American level. It is interesting that the U.S. official has taken responsibility for statements that no one had previously taken credit for, regarding the alleged internal situation of a Salvadoran opposition political organization.

Binn's remarks about alleged division in the MNR should be commented on by the MNR and not by the ambassador of the United States, whose government openly intervenes in El Salvador's internal affairs through a policy of mass military and economic aid that has served to massacre the Salvadoran people with impunity.

Binn's statement once again shows the current U.S. administration's desire to intervene at all levels. The CIA and the State Department have always sought to divide the MNR. They have used all types of lies against the MNR and its secretary general, even that Companero Ungo is a paid Cuban agent. We can confirm these maneuvers with the many memorandums, distributed in all Latin American and West European embassies, which we have in our possession.

The United States is desperate because it hasn't been able to stop our full support for the FDR's objective of achieving the people's demands, and also because the MNR is a member of the Socialist International, an organization that fully supports the Salvadoran people's liberation struggle.

Facing the failure of its divisionist plans, the United States has sought new formulas against democratic unity. It has tried to create an alleged authentic social democratic party with people on the payroll of the military junta. Most of these people are officials of the Foreign Ministry who would provide the junta with more flexible participants in the electoral farce.

The MNR has been very patient with the maneuvers by the United States and the junta. This clarification is provided because the MNR doesn't want to ignore the clear proof of the Reagan administrations' interference in our domestic affairs shown by the U.S. ambassador to Honduras.

GUATEMALAGUERRILLAS ATTACK POLICE STATION, KILL POLICEMAN

PA161917 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 16 Jul 81

[Text] Santa Cruz Balanya, Chimaltenango, Guatemala--A guerrilla group attacked a police substation, shot and killed a policeman and injured another one. The policemen repelled the fire and a clash ensued in which a guerrilla was killed. The attackers stole the weapons of two policemen.

LABOR PARTY MARKS 19 JULY WITH PROPAGANDA BOMBS

PA172149 Guatemala City Radio-Television Guatemala in Spanish 0400 GMT 17 Jul 81

[Text] Last night, militants of the Guatemalan Labor Party commemorated the second anniversary of the Sandinist revolution by detonating several terrorist bombs.

The explosions caused no property damage and instead destroyed the pamphlets placed inside them. The bombs were placed near news media offices.

As we reported yesterday, the PGT has painted slogans on houses in the Amatitlan and Maya neighborhoods, in Zone 18. This upset the residents there because they will have to spend approximately 35 quetzales to paint the walls, which no one likes to do, as some of the affected neighbors have stated.

FP-31 SETS FIRE TO SAHSA OFFICES IN CAPITAL

PA181243 Panama City ACAN in Spanish 1913 GMT 17 Jul 81

[Text] Guatemala City, 17 Jul (ACAN-EFE)--Eight members of the clandestine 31 January People's Front (FP-31) today set fire to the offices of Honduran Air Services, Incorporated [Servicios Aereos Hondurenos, Sociedad Anonima-SAHSA] in Guatemala City to mark the second anniversary of the Sandinist revolution.

The activists of the leftist organization unexpectedly stormed the SAHSA offices in the downtown area, broke the building's front windows and hurled several incendiary bombs inside. The premises were completely burned.

The attackers left a sign on the wall saying: "Long live free Nicaragua, FP-31." This has led authorities investigating the incident to believe that members of that organization carried out the action to mark the Sandinist victory in Nicaragua 2 years ago. In the past few hours, members of the FP-31 have set off several propaganda bombs in the Guatemalan capital, inviting people to celebrate the overthrow of Anastasio Somoza's dictatorship and the rise of the Sandinists to power in Nicaragua.

Manuel Guerrero, SAHSA representative in Guatemala, estimated at \$60,000 the damage to the company's offices caused by the fire, which local firemen were unable to control because the flames consumed the premises too rapidly.

The "Guama" industrial import company, which was also located in the two-story building, was also damaged by the fire.

In another quarter, this morning government security forces discovered a guerrilla center in the town of Nueva Concepcion, Escuintla Province, 70 kms south of this capital, and proceeded to dismantle it.

HONDURASMEXICO OFFERS TO SUPPLY MORE OIL IN 1982

PA162328 Tegucigalpa Domestic Service in Spanish 1130 GMT 16 Jul 81

[Text] Despite the fact that Honduras has not complied with the oil agreement signed with Mexico this year, the Mexican Government has again offered 2 million barrels of oil for 1982, Economy and Commerce Secretary Ruben Mondragon has stated. The official said that this is good news for us since we now have secured most of next year's oil supplies since Venezuela will also export 2 million barrels to Honduras.

It is not certain that Saudi Arabia will continue sending oil to Honduras in 1982 because that nation has made commitments to OPEC to increase its oil prices to the level established by OPEC.

NICARAGUACEREMONY MARKS 19 JULY REVOLUTION ANNIVERSARY

PA192244 [Editorial Report] Managua Domestic Service in Spanish at 1557 GMT on 19 July in network begins carrying live coverage from 19 July Square in Managua of the ceremonies marking the second anniversary of the victory of the Sandinist revolution. The announcer notes that the junta of the Government of National Reconstruction is arriving at the speakers' platform. He also notes the arrival of Sandinist Commanders Luis Carrion, Carlos Nunez, Bayardo Arce, Jaime Wheelock, Henry Ruiz, Humberto Ortega, Victor Tirado and Tomas Borge.

he national anthem is played at 1559 GMT and then the announcer notes that the celebration is "presided over" by the National Directorate of the Sandinist National Liberation Front, FSLN; the junta of the Government of National Reconstruction; the State Council; the Supreme Court of Justice; the FSLN National Secretariat; the FSLN State, Defense and Security Committee; the FSLN Sandinist Assembly; leaders of mass organizations; the mothers of martyrs and heroes who died during the struggle for national liberation; the staff of the Sandinist People's Army, EPS, and of the higher directorate of the Interior Ministry; state ministers; the Episcopal Conference; the diplomatic corps; distinguished workers; peasants; women and fighters and veterans injured in the war.

The announcer notes that many delegations from all parts of the world are present. He says: "Companero Commander of the Revolution Juan Almeida, member of the Communist Party of Cuba Central Committee Politburo and vice president of the Councils of State and Ministers, heads the delegation of the party, government and people of Cuba." He adds: "The Bulgarian delegation is headed by Peko Takov, member of the Bulgarian Communist Party Central Committee Politburo."

The announcer then lists other delegations and heads of delegations at the event: Gen Hudson Austin, member of the New Jewel Movement Political Bureau of Grenada, and chief of the People's Revolutionary Army of Grenada; Mario Calles, health secretary of Mexico, "who represents Mexican President Jose Lopez Portillo;" and Arturo Gonzalez, representing the Institutional Revolutionary Party of Mexico; and Guillermo Ungo, representing the Revolutionary Democratic Front of El Salvador.

The announcer then says: "From the 1,000-times heroic people of Vietnam, we have Companero Huynh Tan Phat, vice premier of the Council of Ministers, and Le Quang Dao, secretary of the Central Committee of the Communist Party of Vietnam." The announcer continues: "Ivan Semenovitch Nayashkov, a minister of the Soviet Government, represents the people, party and government of the Soviet Union. Representing the people and Government of the GDR, is Companero Alois Pisknik, member of the Central Committee of the Socialist Unity Party of Germany and of the Council of State. The announcer goes on by reporting that the delegation of the French Socialist Government is headed by (Raymond d'Olivet), personal representative of President Francois Mitterrand; and the Venezuelan delegation is headed by Jose Rodriguez Iturbe, president of the Foreign Relations Advisory Committee of the Presidency of the Republic of Venezuela.

The announcer states: "The Democratic People's Republic of Korea is represented by (?Song Pok-ki), candidate member of the Korean Workers Party Central Committee Political Bureau. The government and people of Hungary are represented by Sandor Racz, member of the Hungarian Socialist Workers Party Central Committee."

The announcer continues listing other heads of delegations: (Hamoudy Haleb Toba), representing the Government of the Saharan Democratic Arab Republic and the Polisario Front; and (Omar Bahir), representing Algeria. The FRG delegation is headed by Uwe Holtz, president of the Foreign Cooperation Committee of the FRG Parliament; and General Chinchilla Carcamo, Honduran Armed Forces chief of General Staff, heads the delegation of "the brotherly people of Honduras," the announcer notes.

The announcer goes on: Panama is represented by its health minister, Dr Jorge Medrano; the "government and people" of Belize are represented by Guadalupe (Fesh); Douglas (Sirrs) represents the Government of Canada.

The announcer then states: "We warmly greet the delegations of the government and people of Laos, Kampuchea, Poland, Angola, Iraq, Finland, Belgium, Italy, Brazil, the United States, Taiwan, Spain, India, Jamaica, Japan, Mongolia, Norway, Peru, the Dominican Republic, Sweden, the Holy See, Zambia, the People's Democratic Republic of Yemen and the PLO." From 1614 GMT to 1746 GMT, Daniel Ortega, coordinator of the Nicaraguan junta of National Reconstruction, speaks.

At 1746 GMT the Mejia Godoy Brothers, a singing group, sing a Sandinist song and this is followed at 1751 GMT by the shouting of slogans.

At 1752 GMT, Commander Tomas Borge, interior minister, begins to speak and he finishes at 1849 GMT.

The crowd then sings the national anthem and the live relay ends at 1855 GMT.

Daniel Ortega Speech

PA192148 Managua Domestic Service in Spanish 1614 GMT 19 Jul 81

[Speech by Daniel Ortega Saavedra, coordinator of the junta of the Government of National Reconstruction, at the 19 July Plaza in Managua, at the ceremonies marking the second anniversary of the victory of the Nicaraguan revolution--live]

[Text] We appeal to our people's discipline and ask them to lower their placards and flags so that everyone can see. [applause]

On this second anniversary of the victory of the Sandinist people's revolution and 20th anniversary of the foundation of our vanguard, we salute the delegations from sister and friendly countries that are here with us today. In Sandino's day and even later after he was killed, the Somozists called him a bandit. But neither the people nor the Sandinists were insulted by the use of this term. Sandino was the divine bandit. We say this because history repeats itself and the same ones who called Sandino a bandit now call us mobs, and here are the divine mobs of the revolution! [applause, shouts]

We also salute this heroic people, this conscientious and thinking people, who do not feel ashamed to be called a mob, mass or whatever, because they have a revolutionary awareness. [applause]

We commemorate this second anniversary of the victory of the revolution and 20th anniversary of the foundation of our vanguard at very difficult and complex times for the future of mankind. The Nicaraguan revolution cannot be isolated from the great tensions that rock the world. It cannot be isolated from the injustice prevailing in the world, where a few developed and industrialized countries manage to have better living conditions and enable their inhabitants to live twice as long as the inhabitants of Third World countries due to the existence of international injustice. The others, the people of the Third World, a people with (?limited) resources, are seriously affected by this international situation. Of course, we, the peoples of the third world, are fighting to establish a new type of international economic relationship. This means, Nicaraguan brothers, that coffee, cotton and sugar, which take so much work to produce, and meat and the other export products should receive different treatment. There should not be lower prices each year for these products which cause our workers so much sweat. They should not sell at higher prices every year the tractors, the machinery, the spare parts, the medicines and all the products we must import because we do not produce them here.

Amid this situation of economic injustice in the world, there is a particular situation that seriously worries the Nicaraguan revolution: a country that is a world power and that, therefore, has a big responsibility toward the world, a country that has attacked and invaded our territory and has covered it with blood is now adopting an aggressive policy, a dangerous policy against our revolution. We are referring, as you all know, to the United States. [crowd shouts indistinct slogans]

In January 1981, when a new administration took over the U.S. Government, the first thing it did that very month was to suspend a \$20-million loan that had been pending for Nicaragua. Four months later, in April, the U.S. administration decided to freeze \$15 million that was still to be disbursed from a \$70-million loan that had already been signed. That same month, it suspended the delivery of \$11.4 million for economic development and an additional \$14.7 million for the purchase of wheat and oil. This month, the administration cut off \$20 million that had been proposed for fiscal year 1982. This adds up to a total of \$81.1 million which the United States has cut since January 1981 from a country to which it owes a lot.

To this we must add the U.S. Government's acquiescence in allowing the former Somozist guards to train undisturbed in its territory, while irresponsibly justifying the existence of those training camps.

To cap it all, on 15 July a U.S. Senate committee recommended ratification of a treaty signed between Colombia and the United States in 1971 which [word indistinct] Nicaraguan sovereignty. They are trying to make a decision about a territory that is Nicaragua. [crowd chants indistinct slogans]

Amid this international situation, amid the arms races and adventuresome and economic aggressions, Nicaragua has not been alone. It is good to mention that despite the attitude assumed by the United States in January 1981, countries such as the GDR, the FRG, Algeria, Bulgaria, Canada, the EEC, Cuba, Denmark, Finland, France, the Netherlands, Iraq, Libya, Mexico, Norway, Sweden, the USSR and Yugoslavia among others, have not stopped their aid to Nicaragua and have not placed conditions on it at any time. [applause] We all know of the beautiful and positive gestures that Venezuela, through President Luis Herrera, and Mexico, through President Jose Lopez Portillo, made by supporting Nicaragua in the area of oil supply. [applause]

There is a difficult and complex international situation and our internal situation is more complex and difficult because of what we inherited on 19 July. We inherited a country sacked by imperialism and an economic system that benefited only a minority and foreign interests. We inherited a country sacked by the Somoza family and its accomplices, affected by an earthquake, robbed and sacked during the earthquake, destroyed and sacked in the war for liberation, depleted and in debt. We inherited a country with no industry. All this meant that on 19 July 1979, the Nicaraguan people inherited more than \$2 billion in losses and more than \$1.65 billion in debts. This is the well-known result of Somozist and capitalist efficiency.

We experienced a difficult international situation, U.S. aggressions, and a very serious internal situation. And what has been the attitude of the social groups in our country? The private sector: When we speak of the private sector, logically we cannot talk about that private sector which certain political groups like to discuss. The private sector is a very large sector in Nicaragua. It includes the peasant who owns a small lot and the producer who owns a cattle ranch or an industry, and in this private sector we have found two types of behavior in these past 2 years of the revolution. There is the behavior of the patriotic private sector which is made up of all those small, medium and large sized-producers who have been tilling the land efficiently. These are the ones who have been producing coffee, sugar cane and cotton and who are organized in the National Union of Farmers and Cattlemen. [applause] To be fair we must also mention that there have been and still are large producers and businessmen in this country who have been efficiently running these businesses and farms.

However, on the other hand, we have the negative attitude of the unpatriotic businessmen and producers, those who have depleted the capital of factories and farms, those who in 1978, during Somozist times, still invested 1.26 billion cordobas in this country and are now barely investing 589 million cordobas. Those who [words indistinct] businessmen are [word indistinct] profits that surpass 1.5 billion cordobas. They are the same as those who are trying to politically blackmail our revolution. They want to establish conditions on their duty to produce and to exchange conditions for concessions in the political, ideological and revolutionary sphere of this process. [crowd chants indistinct slogans] They are the same people who are trying to isolate our revolution abroad. What they are seeking is the withdrawal of aid by all these countries that we mentioned.

They are the ones who are involved in the tasks of turncoats. They are the ones who have increasingly closer ties with Somozism. They are the ones who have even defended the criminal guardsmen who are in jail and the criminal guardsmen who are conspiring abroad. This is a private sector that is fully aware that it is playing with fire. It wants to destroy the people's power in order to impose exploitation. It wants to destroy the people's power in order to bring back those who steal from and oppress the workers.

The international economic, political and military situations are tense and difficult as we explained.

Here are some of the things we have inherited: U.S. behavior that is aggressive, adventurous and dangerous; a nation with serious economic structural problems; behavior by the private sector that is on the one hand positive and on the other negative; errors within our own process since we must take responsibility for the errors that have been occurring in these 2 years of revolution; failures in the revolutionary government due to shortcomings in the execution of programs at a time when we have had at our disposition loans and credits to initiate certain projects our country needs so much; an inefficient approach in obtaining foreign exchange necessary for production; a lack of cohesion in the revolutionary government; administrative corruption which we have been unable to eradicate as of yet; a reluctance by some sectors of the government to obtain support from the masses to strengthen the revolutionary government; poor services for the working sectors, especially in such important areas as health; and a lack of political participation, a reluctance to join the militias, and a lack of participation in voluntary work projects by some of the employees of the government who think that nothing has changed here.

We also can find errors inside our revolutionary process, beginning with the underpinning of the process, those who work in production. The economy of the nation is sabotaged when labor becomes undisciplined and when there are demands for production agreements that are not in line with the nation's [word indistinct] reality. The economy is also sabotaged when some sectors of our workers are dragged along by labor unions that are not in line with their interests.

Of course, both in the case of the government workers and in the case of production workers, we must say that the general behavior of Nicaragua's working class has been positive, conscientious and disciplined, and this has been (?basic) for the advances we have made and will be necessary for us to continue to advance. [applause]

Of course, the members of the National Directorate and the members of the government junta have had some responsibility for all of this. How could they not?

How is it possible that we have overlooked the fact that Rigoberto Lopez Perez [the man who killed Anastasio Somoza Debayle's father], a national hero, is not at this central [word indistinct]? [applause] Certainly, Sandino, Rigoberto and Carlos [Fonseca] are the ones that have marked the historic development of the revolution in Nicaragua. [applause] On 21 September, we are going to propose that Rigoberto Lopez Perez be declared a national hero. [applause]

We were saying that there is a difficult international situation; a difficult attitude on the part of the United States; a very grave general economic situation; behavior by the private sector that is both negative and positive; behavior by the working class, which although generally positive, also has great negative aspects; (?national) behavior by the state, which in some aspects is negative and in others is positive.

What are we to do about all this? What steps, what measures should we take?

Along with the National Directorate, the government junta has been analyzing these problems. The National Directorate has held meetings and [words indistinct] making great efforts to find answers to these problems, serious replies, coherent replies, which are not dictated by our emotions but by our intelligence. They should be responsible replies because an entire nation is at stake, a revolution is at stake, Latin America's hope for chance is at stake, as is the world's contribution to the revolution. [applause]

What have we decided? In foreign issues, we reaffirm that we will continue the struggle for economic independence, sovereignty, self-determination and nonintervention, and that we will continue striving to achieve closer relations with all the countries of the world that so desire it. [applause]

With the United States, yes, we are flexible, but we are also firm. Let them ban now the training camps in Miami; let them not stimulate counterrevolutionary activities against Nicaragua, which have already cost us in the past and are still costing us so many lives. Let them not intervene in Central America, like they are already doing in El Salvador. Let them not continue attacking us economically, let them play a responsible rather than an adventurous role. We tell them, yes, that above and beyond everything else, we will continue to be anti-imperialistic. [applause]

Internally, there must be a decision and a conscious attempt to fight bureaucracy, corruption and a lack of awareness among government employees. There must be a decision to implement the decree on crimes involving the people's property. This decree establishes prison terms and the confiscation of assets of persons responsible for this kind of crime. [applause]

There must be the participation of the organized masses in the government effort. And there must especially be the will to implement these measures and to apply a strong hand to those who don't respond.

In the production sector, we will fight lockouts, strikes, seizures and labor indiscipline, all of which are ways that the rank and file can deplete capital. We will fight the lack of class awareness in the working class.

We are going to respond to the expectations of political sectors. We are going to respond to the businessmen who take capital away and to the producers who have chosen to question the people's power. We tell them that we are strengthening the people's power here and that they are the ones who must understand and to learn how to coexist, if you like, with the people's power.

But we are not going to just talk. We are going to put our house in order, or else we will remain fools who permit those who are depleting capital to continue to do so. [crowd shouts: "No!"] We are going to support those who are not draining capital, and we are also going to approve an amendment to the capital depletion law that as of this moment will permit workers to go to the attorney general's office to report any act of capital depletion that they see. It will also protect the person making the report from any reprisal and will authorize the state to intervene in any enterprise from which capital is being drained. [applause]

To deplete capital is to do the following, among other things: To simulate expenses, debts or losses; to fail to give accurate information to organizations or officials who demand it; to falsify invoices; to pay excessively high commissions or dividends; and to abandon the administration or management of the enterprise without justified cause. These are some examples.

Do you, brothers, agree with this amendment to the capital depletion law? [crowd shouts: "Yes;" applause]

The National Directorate and the government junta cannot continue to turn a deaf ear to the demands that were being made. Of course, they will act with a spirit of justice because we will not accept things that should not be accepted. We have decided to present the following decree to this gathering:

Whereas there are business sectors that are taking action against the development of the national economy and the role that should be played by property in our country and these sectors should be punished in a revolutionary manner;

Whereas thanks to the working classes, it has been possible to detect measures to deplete capital and to forcibly make production inefficient in a number of enterprises that the state is duty-bound to protect for the benefit of the country's economy;

In the exercise of its powers, [the state] decrees:

1. The enterprises detailed below are hereby confiscated and by virtue of this decree become the people's property. [applause] Those enterprises are: Santa Monica, Inc. [applause]; Inversiones Comerciales Inc, INCOSA [applause]; Corporacion Plaza Espana, Inc. [applause]--when we say the Inversiones Comerciales we are referring to the one in Ciudad Plaza [applause]--Sociedad General de Inversion Urbana, Inc. [applause]; Promotora Ceramica, Inc. [applause] (Balgotel) Inc. [applause]; Sociedad General de Turismo, Inc. [applause]; Mused y Cultura, Inc. [applause]; Ancasa, Inc. [applause]; Jaboneria Predo, Inc. [loud, prolonged applause; crowd shouts indistinct slogans]; La Perfecta Inc. ice cream factory [loud, prolonged applause]; La Perfecta Dairy Products factory [applause]; Industria Ganadera de Oriente, Inc. (INGOSA) [applause]; the San Martin Slaughterhouse. [applause; crowd shouts indistinct slogans].

I think that it would be a good thing for the newspaper that claims to be of the majority to listen to the majority. [applause] Perhaps after this, LA PRENSA will change its policies and begin to identify with the people. We will see whether it is true that it represents the majority. It must listen to the majority. Here is the majority. [prolonged applause]

It is possible that this list does not include all those who should be on it, but all those who are on it should be. [laughter, applause]

We want to submit this decree to this popular assembly for its approval. [applause, crowd chants: "People's power"] This decree will go into effect as soon as it is published by any means of communication. Issued on 19 July 1981 at the 19 July Plaza. [applause, chanting of indistinct slogans]

We also have another decree which will fight other ways to deplete capital. We want to submit this decree to this great people's assembly. It says:

It is a priority task of the revolution to reconstruct the country and this can be accomplished by promoting production through the rational use of the properties.

Whereas, certain proprietors have irresponsibly abandoned properties that are necessary for the country's economic reactivation, it is decreed that:

Any goods and property, real estate, titles, securities and stocks of any kind owned by those Nicaraguans who have left the country or leave the country and do not return after 6 months will be considered abandoned and will be turned over to the state. [applause]

This is a measure of basic justice. We have lists of people who are abroad working merrily with the counterrevolution, Somozists who still have properties in this country, who continue to deplete the capital of their properties and who rent or sell their homes and demand payment in dollars when this is prohibited in the country. They are sacking our country. This measure is for these people. Is this assembly in agreement with this measure? [crowd shouts: "Yes" followed by indistinct slogans]

We all know about the negative work of some political groups interested in hurting the revolutionary process. They have even tried to create farming cooperatives. We also want to present to this people's assembly a bill on farming cooperatives that will be immediately sent to the State Council for discussion. In its main part, it recognizes the positive role that cooperatives can play by organizing the peasants in a productive way, increasing production and efficiency and improving the standard of living of the peasant family. Through this bill on farming cooperatives, two great forms of cooperative association are being established; that of small and medium-sized owners who get together to receive services, credits, and technical assistance and to market their products; and that of those who group their properties and work together to improve their efficiency and productivity.

By means of this bill on cooperatives, the state places under its protection any cooperative movement in the country. [applause] No one can therefore go around organizing counterrevolutionary cooperatives to act against our process. All cooperatives will be registered in the national registry of farming cooperatives which will be under the Agricultural Development and Agrarian Reform Ministry through the Directorate of Peasant Promotion [Direccion de Promocion Campesina--PROCAMPO]. [applause] We will also give training, plans, programs and general guidelines through PROCAMPO and the national financing system will provide the necessary financing.

Do you Nicaraguan brothers agree? [crowd shouts: "Yes" followed by applause]

There are other measures that our people wanted very much and we have decided to announce them today.

How many Nicaraguans are not living in the neighborhoods that have been taken over? The least we can do is to give ownership titles without cost to those persons who are beneficiaries of the neighborhoods that have been taken over. [applause]

Do you agree with this measure we just announced? [crowd shouts: "Yes"]

We have another measure which is summarized in the following decree: It is the state's duty to guarantee the effective distribution of staples to the workers. The distribution of sugar throughout the country is nationalized and the Domestic Trade Ministry will be in charge of this task. [applause]

Do you agree with this decree? [crowd shouts: "Yes"]

There is another decree which has to do with nontraditional export goods, the exportation of which was not nationalized. The export of these goods represents trade exceeding \$40 million [no time-frame as heard]. The decree says: The Foreign Trade Ministry is the only one authorized body in the country to export the following products: instant coffee, rum, alcohol, liqueurs and liquor, polyvinyl chloride and its byproducts, caustic soda, toxaphene, oils and lubricants, cottonseed oil, [word indistinct] and flour. [applause]

Do we agree with this measure? [crowd shouts "Yes"]

We also wish to announce today that we are working on a national financing program for beef and for milk-producing cows. Through a financing system, the junta of the Government of National Reconstruction will assign 1 billion cordobas annually for the next 5 years for this program. In other words, 5 billion cordobas over the next 5 years. [applause] Out of the 1 billion cordobas, 700 million cordobas will be assigned each year to develop the cattle industry and 300 million for the dairy industry. This will benefit everyone; the People's Property Area, and the small medium and big producers of the cattle industry who want to produce in this country. [applause]

There is a very important measure [someone in the crowd shouts: "The execution wall for the counterrevolutionaries"] which the people have been demanding for many decades.

Who can ignore the living conditions of the peasants in our country? Who can ignore the abuses that have been committed in the use of the land in this country? We only have to remember the Somozist landowners and the conservatives who had large landholdings and only exploited a small part, keeping the rest idle, which they used as an instrument of political power. Last year we suggested right here in this square that measures be implemented regarding the idle land. Everyone here agreed with the measure. However, to implement a measure of this nature given the large number of problems of the revolutionary process is not that easy. We have been struggling to consolidate the land taken from the Somozists and their allies, which were practically depleted, in debt and in a deteriorated condition. We had to start working them to increase production and our main efforts were aimed at this goal.

We could not take measures which would affect the idle land without also taking more specific, complete and general measures. You just do not take measures regarding the land without having any plan. You will just be floating around aimlessly if you do. So the FSLN National Directorate and the junta of the Government of National Reconstruction have worked to submit today to the people an agrarian reform bill. [applause] The drafting of this bill has been quite difficult and it is being proposed to this assembly for approval, after which we will take it to the State Council for discussion, with the participation of all the mass organizations represented therein.

This agrarian reform law provides that idle or inefficiently exploited properties of over 500 manzanas in the departments of Leon, Chinandega, Managua, Masaya, Granada, Rivas, Carazo, Jinotega and Matagalpa should be confiscated, [applause; woman in crowd shouts: "Must be confiscated"] must be confiscated, as well as such properties of over 1,000 manzanas in the rest of the country. [applause]

The law also stipulates, as the companera over there aptly said, that there must be a confiscation of lands that are leased or otherwise ceded and whose owners possess over 500 manzanas in the departments of Leon, Chinandega, Managua, Masaya, Granada, Rivas, Carazo, Jinotega and Matagalpa and over 1,000 manzanas in the rest of the country. [applause]

The law provides for the confiscation of lands that are being worked by sharecroppers, tenant farmers and squatters. Of course, the land will be confiscated for their benefit. [delayed applause] We explained that these lands will be confiscated for their benefit. In addition, this applies to properties that have been abandoned by the owners, that are not being worked, or that are being allowed to deteriorate. It also applies to the properties of all those who left the country after 19 July and who have not returned. [applause]

The lands and agricultural properties will be assigned by the Ministry of Agricultural Development and Agrarian Reform to:

1. Landless peasants, sharecroppers, tenant farmers, lessees and squatters; [applause]
2. To cooperatives;
3. To agrarian reform enterprises; [applause]
4. To farmers who can work it efficiently;
5. To fighters who participated in our war of liberation and who want to work the land; [applause]
6. And to the relatives of heroes and martyrs of the revolution who wish to work the land. [applause]

The land will be distributed free of charge and in tracts large enough to guarantee a level of income for either individual peasants or cooperatives of at least the amount of the monthly minimum wage. [applause] In all cases, an agrarian reform title will be granted to legitimize the use and enjoyment of the land. [applause] The law guarantees private property and will protect the farmer who is working the land efficiently, regardless of the size of the tract that he holds. [applause]

After this law goes into effect, occupations of land or attacks on the nation's agricultural production will not be permitted because the occupation of lands made some sense before this law came into being, even though that activity was banned. However, it no longer makes sense. Things have to be done in an orderly manner, through the corresponding organizations, because we know that there are people who, by encouraging workers to indulge in actions that go against production, are also attempting to destabilize our process.

With regard to the problem of land in the Atlantic sector, the Agricultural Development and Agrarian Reform Ministry will be charged with formulating specific proposals to help resolve this problem.

I could not fail to talk about the Atlantic Coast, which is a part of our national reality, a part of the historical legacy from the past. We are not going to close our eyes to the problems that have emerged on the Atlantic Coast. Our revolution has made public efforts to resolve the problems on the Atlantic Coast. Great efforts, great amounts of economic resources have been invested there in order to integrate the Atlantic with the rest of Nicaragua socially, economically and politically.

We have confidence in that effort because the results are already becoming visible. However, we cannot lose sight of the hidden danger that exists there because the Somozists have identified the Atlantic as an area that is propitious for counterrevolutionary activity. They know that if they appear in these areas.... [does not complete sentence]

Any guardsman who tries to drum up sympathy in the neighborhoods of Managua, Masaya, Leon or Chinandega would be drawn and quartered because the people here were subjected to the brutality, the cruelty, the criminality of the Somozist guard. However, that situation did not occur on the Atlantic and this explains the phenomenon there. Therefore, we are obliged to conscientiously redouble our efforts to integrate the residents of the Atlantic into the revolutionary process. We have to fight the counterrevolutionaries for them. We have to fight for them against those who are conspiring, those who are training in Miami, those who raid our territory and kill Nicaraguan citizens. [crowd shouts indistinct slogans]

Of course, the revolution has great moral strength. In this problem of the Atlantic Coast, the moral strength of the revolution has been strengthened because...[does not complete sentence] You may think this to be somewhat naive or foolish, as was our way of dealing with Steadman Fagoth, but it served to demonstrate what Steadman Fagoth was really like. There are people here, enemies of the revolution, who wish to portray Steadman Fagoth as a hero, as a leader of the people on the Atlantic Coast. He was defended in the newspaper with which we are all familiar and in communiques of the parties with which we are all familiar. Let them defend him now that he is in Miami. Let them defend him now that he is with the Somozist guardsmen. Let them have the courage to defend him. Let them take off their masks once and for all.

Revolutionary truth was strengthened by this case because there was an attempt to give the impression that we did not understand the problems of the coast, that we were unjustly attacking Fagoth, that we were jailing him unjustly.

However, we say that the revolution was strengthened when Fagoth showed his true face. We are obliged to continue to make an effort to integrate our brothers on the Atlantic, who to a great extent have already been integrated into the revolutionary process. We must integrate them totally, so that the Miskitos of Waspan, Puerto Cabezas, Siuna, Rosita, and Bonanza, along with the Ramas and the Sumus and the blacks of Bluefield will be, as the Miskitos say: (Agila sakanka), a single unit with the Sandinist front, with the Nicaraguan people, with the Nicaraguan revolution. [applause]

This revolution has been generous. The mothers of the heroes and martyrs who marched 2 days ago carried a small placard saying: Your son is in prison; where is mine? The mother of a fighter killed by the Somozist guard asks the mothers and relatives of the Somozist guards who are in prison: Your son is in prison, where is my son?

It is logical that we, as revolutionaries, as men trying to change society and ourselves, with a feeling of love for humanity, cannot ignore the sorrow of the mothers, sons and relatives of these guards. The revolution tells these persons that we do not see them as enemies. We open the door to them and say: Join the revolutionary process; the limited resources of this people are your resources and ours. [applause]

However, they must understand the reasons behind the small placard carried by the mothers. The death sentence and a hard hand has been requested for the murderers. But, as we said at the beginning, we should take responsible, serious and correct attitudes in this matter.

The death sentence that we can decree is represented by our ability, or the Sandinist People's Militia's ability, to fire a rifle and to clean it. [applause] This means applying the death sentence in combat against these criminals, these murderers. This is the main measure we must promote: to strengthen the Sandinist People's Militia and the armed people. Revolutions are not afraid of arming the people. What is more, this revolution has offered to train and to include in the militia those labor organizations opposed to the revolutionary process. This shows you the strength, moral authority and confidence of this revolution. [applause]

We agree that we have pardoned some persons who did not deserve it. By so doing, some criminals were released, but there have been other pardons which have been just. There have been cases involving persons who really did not belong in prison. This can be explained in a revolution like ours. However, above all, we must be responsible.

What we must do now is to halt pardons, and when we find cases which deserve a pardon for reasons of justice--because as Sandinists we must be just--we will present the request for a pardon to the State Council. In this way, the mass organizations can learn the names of those persons asking for pardon. However, if the mass organizations say, here is a man who is a criminal and does not deserve a pardon, then he will not be pardoned. Otherwise, we must act according to the law.

We are going to present another bill dealing with this matter, which involves the confiscation of properties of persons found guilty of counterrevolutionary activities. [applause] Are we in agreement that we should confiscate the properties of those tried and sentenced for counterrevolutionary activities? [crowd shouts: "Yes"]

We also want to inform the people that the National Directorate has directly assigned Companero Humberto Ortega to be the leader of the militia. [crowd shouts approval]

We have tried to explain the difficult and critical international situation and we have explained our attitude toward the international situation.

We have explained the conduct of the United States toward the Nicaraguan revolution and we have also revealed our attitude. We have also explained the conduct of the various economic and social sectors within our revolutionary process. We have taken a number of measures and we have approved a number of decrees.

We must say that today, the Sandinist front National Directorate, the junta of the Government of National Reconstruction and all the Nicaraguans are establishing the rules of the game. [applause]

We are not going to allow anyone to toy with our process. This is the equivalent of playing with the blood of our martyrs and the sweat of our workers. We will not allow any more attacks on our process. In this way we are trying to strengthen our process. We are not going to continue discussing the rules of the game. The people know the rules of the game and if anyone wants to play, he must abide by the rules of the game or leave, because otherwise the people will crush him. [applause]

Once again I will say that this country has guarantees for all those who want to produce without attacking the people's power. They must produce to strengthen the peoples' power. We want to say once again that this country guarantees a mixed economy and political pluralism in order to strengthen the peoples' power and not to weaken it. [applause, chanting]

I do not want to hear tomorrow that all this is unjust and abusive, that we do one thing today and another thing tomorrow, because this is not the case. These measures are just. It is important to make it clear that henceforth we will not allow any attacks on the revolutionary process.

This is the case of strengthening the peoples' democracy. It is a case of guaranteeing the active participation of all those political, economic and social sectors that really want to work for a liberated Nicaragua. And it is definitely a case of building a powerful bulwark against the attacks of those who would destroy this revolutionary process.

Today, we must prepare to face great difficulties. We shall face great difficulties because last year we sold a quintal of coffee for about \$180, but this year we have been selling our coffee at an average of \$120 to \$110 a quintal. The price has even dropped to \$80. Is this our fault? Is it the fault of our productive capacity? It is the fault of this international situation in which the purchasing countries set their own prices. The rich set the price they want to pay for the products of poor countries.

These are situations beyond the control of all our production efforts. What does this mean? That in coffee alone we have failed to receive over \$60 million. That from all our exports we have failed to receive over \$100 million. This is a lot for a country whose economy is destroyed. This means that we must prepare to face great difficulties. This means that we must prepare. Who? professionals, technicians, the middle sectors, the small and medium-sized industries, the middle sectors in the cities who must understand that there are no foreign currencies and they must be spent to purchase essential items.

We must strengthen class awareness and the love for humanity among all our people, especially in those sectors which are in a much better economic situation than most of our people, workers and peasants.

We cannot fool ourselves that we are going to solve our problems in the near future. If the Sandinist front National Directorate and the junta of the Government of National Reconstruction made a mistake, it was to lift the state of emergency a few months after the revolutionary triumph. This created an expectancy in all sectors and also facilitated the activities of the counterrevolution.

It is unprecedented to have a revolution like ours emerge from a state of emergency in a few months. This was a great mistake we made. This forces us to make great efforts and to create a greater awareness among our people.

We want to tell all Nicaraguans without exception, and all those who feel like Nicaraguans, that the time has come to act with responsibility. The workers, peasants, youth, businessmen, and patriotic producers must know that this is the hour to advance against great difficulties with a greater spirit of self-criticism, firmness, unity and readiness to step aside if we are not contributing anything to the process. We must reflect the spirit of [words indistinct], Pancasan, of the September heroes, of the final rebellion, Carlos Fonseca, Rogoberto Lopez Perez. With the spirit of Sandino we will advance and overcome all our problems. Free fatherland or death.

Long live the second anniversary. [applause]
Long live the 20th anniversary. [applause]

CONGRATULATIONS RECEIVED FROM CUBA, USSR

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[Text] Gen Raul Castro, Cuban minister of the Revolutionary Armed Forces, sent a congratulatory message to Nicaragua's Minister of Defense Humberto Ortega on the second anniversary of the triumph of the revolution and the 20th anniversary of the founding of Nicaragua's Sandinist National Liberation Front. In his message, Raul Castro emphasized the struggle of the Nicaraguan people for their true and definite independence and underscored the indestructible bonds of friendship that exist between the soldiers of Cuba and Nicaragua.

Leonid Brezhnev and Nikolay Tikhonov, top leaders of the USSR, also sent a message to Nicaragua in which they stressed that in a short time this nation has made important social and economic changes in the interest of all the people.